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FISCAL IMPACT REPORT

SPONSOR: Stapleton DATE TYPED: 3/08/03 HB 969

SHORT TITLE: Racetrack Gaming Revenue to State Fair SB _____

ANALYST: Smith

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY03	FY04			
	(8,150.0)	(8,150.0)	Recurring	General Fund
	8,150.0	8,150.0	Recurring	N.M. State Fair

(Parenthesis () Indicate Revenue Decreases)

Duplicates SB 866

SOURCES OF INFORMATION

Responses Received From
Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

House Bill 969 would create a new distribution of 20% of the net receipts attributable to the gaming tax paid by racetrack operators to the State Fair Commission for the purpose of improving the facilities and grounds of the State Fair.

FISCAL IMPLICATIONS

TRD notes that the fiscal impact reflects 20% of the projected gaming tax revenue attributable to racetrack operators in FY 2004. Racetrack operators account for approximately 97% of total gaming tax collections. The proposal could result in a shift of approximately twice this amount if the issue described under "Technical Issues" is not resolved.

TECHNICAL ISSUES

TRD notes that the proposal contains language providing for the new distribution in two different

places. The first is a new section of the Tax Administration Act that describes a distribution equal to “twenty percent of the net receipts attributable to the gaming tax paid by racetrack operator licensees...” Since there is no effective date on the bill, this distribution would take effect June 20, 2003.

The second section amends the Gaming Tax Act to include reference to a distribution “Beginning in fiscal year 2004, twenty percent of the net receipts attributable to the gaming tax paid by all racetrack gaming operator licensees *in the prior fiscal year* shall be distributed annually...” (emphasis added). These two distributions do not refer to the same revenue base. One is for revenue collected in the current period, while the other refers to the prior year. This language could be read to create two distributions.

OTHER SUBSTANTIVE ISSUES

TRD points out that the proposal would distribute 20% of the net revenue from racetrack gaming operations to the State Fair. However, only about 10% of this revenue is attributable to the Albuquerque Downs Racetrack, located at the State Fair.

SS/sb